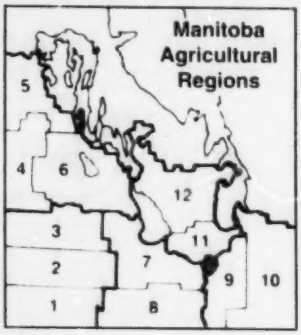
Manitoba Agriculture

PROGRAM & POLICY ANALYSIS

Agriculture Statistics



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SUBJECT: **FARM INCOME SITUATION (2001)[P] AND OUTLOOK (2002)[E]**

MANITOBA HIGHLIGHT

Situation 2001:

- Manitoba farm cash receipts are projected at a record $3.68 billion in 2001, up by 17.3 percent from $3.13 billion in 2000.
- In 2001, prices of most major crops were slightly higher than in 2000, contributing to the 16.3 percent increase in crop cash receipt estimates to $1.49 billion. Livestock receipts were about $1.81 billion in 2001, a new record, up by 15.6 percent from $1.57 billion in 2000.
- There was an increase of 30.2 percent in direct payments to Manitoba producers, from $285 million in 2000 to $371 million in 2001.
- In total, 2001 farm operating expenses rose by 5.0 percent to an estimated $2.63 billion.
- Net farm cash income may be up by 66.5 percent to $1.04 billion in 2001, realized net income (after depreciation) could more than double to $696 million, while total net farm income may increase by 20.6 percent to $569 million following a large negative value of inventory change.

SOURCE: Agriculture and Agri-Food Canada.

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Outlook 2002:

- Cash receipt estimates could decrease by 3 percent to $3.57 billion in 2002. Receipts from livestock production are likely to remain steady in 2002, while crop receipts could increase by 8 percent in 2002.
- In 2002 direct payments could decrease by 58 percent to $157 million.
- Farm operating expenses for 2002 have been projected at one percent above the 2001 level.
- In 2002, net farm cash income could decrease by an estimated 13 percent to $912 million, which is relatively high by recent historical standards. Realized net income could be $564 million, a fall of 19 percent from 2001, while total net income could rise by 14 percent to $650 million if the value of inventory change is $85 million.

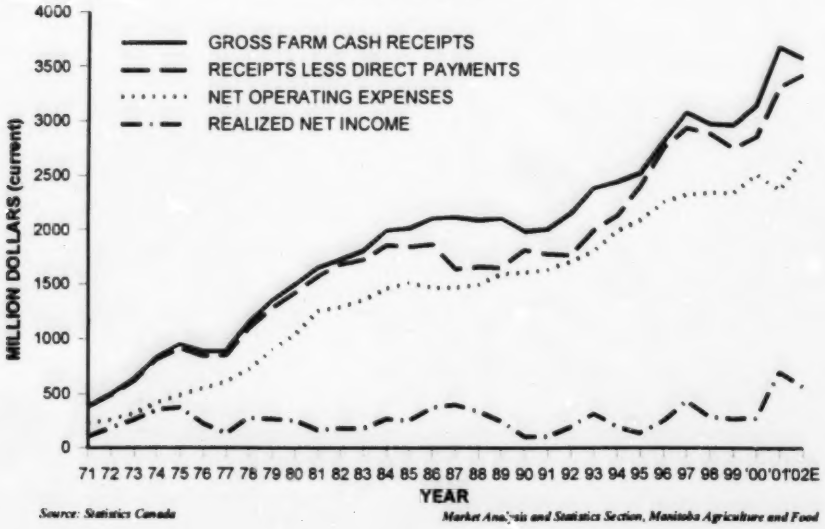
TABLE 1: FARM INCOME SUMMARY, MANITOBA, 2000-2002*

	2000[R]	2001[P]	2002[E]	02/01
	- million dollars -			%
Crop Receipts	1,282	1,491	1,605	108
Livestock Receipts	1,567	1,812	1,810	100
Market Receipts	2,849	3,303	3,415	103
Total Payments[1]	285	371	157	42
Total Cash Receipts	**3,133**	**3,675**	**3,572**	**97**
Net Operating Expenses	**2,506**	**2,632**	**2,660**	**101**
Net Cash Income	**627**	**1,044**	**912**	**87**
Income-In-Kind	9	9	9	100
Depreciation Charges	358	356	357	100
Realized Net Income	**277**	**696**	**564**	**81**
Value of Inventory Change	195	-128	85	-
TOTAL NET INCOME	**472**	**569**	**650**	**114**

* Totals may not add due to rounding. [R] Revised [P] Preliminary [E] Estimated

[1] Includes gross payments directly paid to producers under Crop Insurance including private hail insurance, Dairy Subsidy, NISA and ad-hoc income support programs including Canada Farm Income Program, Canada/Manitoba Adjustment Program, AIDA and Manitoba Farm Disaster Assistance Program. Program premiums or levies paid by producers are included in operating expenses.

MANITOBA FARM INCOME AND EXPENSES
1971- 2002



Source: Statistics Canada *Market Analysis and Statistics Section, Manitoba Agriculture and Food*

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TABLE 2: FARM INCOME SUMMARY, PROVINCES, 2000-2002

	2000[R]	2001[P]	2002[E]	02/01
	million dollars			%
SASKATCHEWAN				
Crop Receipts	3,474	3,873	3,746	97
Livestock Receipts	1,568	1,761	1,781	101
Market Receipts	5,042	5,634	5,527	98
Total Payments[1]	776	963	708	74
Total Cash Receipts	5,818	6,597	6,235	95
Net Operating Expenses	4,523	4,756	4,852	102
Net Cash Income	1,296	1,841	1,383	75
Realized Net Income	425	972	517	53
Total Net Income	458	153	942	616
ALBERTA				
Crop Receipts	2,284	2,325	2,530	109
Livestock Receipts	4,447	5,069	5,091	100
Market Receipts	6,731	7,394	7,621	103
Total Payments[1]	707	862	489	57
Total Cash Receipts	7,439	8,256	8,110	98
Net Operating Expenses	5,943	6,171	6,251	101
Net Cash Income	1,496	2,085	1,859	89
Realized Net Income	506	1,090	849	78
Total Net Income	330	892	1,178	132
BRITISH COLUMBIA				
Crop Receipts	953	1,046	1,105	106
Livestock Receipts	1,083	1,150	1,159	101
Market Receipts	2,036	2,196	2,264	103
Total Payments[1]	39	63	46	73
Total Cash Receipts	2,075	2,259	2,310	102
Net Operating Expenses	1,572	1,698	1,700	100
Net Cash Income	503	561	609	109
Realized Net Income	299	361	405	112
Total Net Income	292	358	391	109
ONTARIO				
Crop Receipts	3,328	3,132	3,296	105
Livestock Receipts	4,138	4,428	4,465	101
Market Receipts	7,466	7,560	7,761	103
Total Payments[1]	423	775	444	57
Total Cash Receipts	7,889	8,334	8,206	98
Net Operating Expenses	6,265	6,563	6,618	101
Net Cash Income	1,623	1,771	1,587	90
Realized Net Income	716	869	671	77
Total Net Income	531	732	906	124
QUEBEC				
Crop Receipts	1,285	1,244	1,360	109
Livestock Receipts	3,595	3,842	3,875	101
Market Receipts	4,880	5,086	5,235	103
Total Payments[1]	565	611	462	76
Total Cash Receipts	5,445	5,697	5,697	100
Net Operating Expenses	4,149	4,364	4,315	99
Net Cash Income	1,296	1,333	1,382	104
Realized Net Income	846	868	895	103
Total Net Income	796	950	922	97
CANADA				
Crop Receipts	13,114	13,583	14,182	104
Livestock Receipts	17,030	18,746	18,880	101
Market Receipts	30,144	32,329	33,062	102
Total Payments[1]	2,829	3,729	2,371	64
Total Cash Receipts	32,973	36,058	35,433	98
Net Operating Expenses	25,932	27,197	27,419	101
Net Cash Income	7,041	8,861	8,013	90
Realized Net Income	3,160	4,973	4,067	82
Total Net Income	2,994	3,697	5,226	141